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Marco Rubio: No Bailouts for ObamaCare

The health-care law's 'risk corridors' could result in a huge taxpayer burden.

By
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With every passing day, ObamaCare's flaws are being exposed in painful ways for the American people. What started as a broken website—and nonexistent Spanish one—is now snowballing into a full-scale disaster that makes it increasingly clear this law can't be fixed.

Under ObamaCare, people are being recklessly exposed to identity theft and fraud through the dysfunctional website and navigator network.

Under ObamaCare, President Obama's broken promise—that people could keep the health plans and doctors they were happy with—has made casualties of those plans and providers. Now people have to scramble to find new plans and doctors that often cost more than before. If they don't find them, a tax fine enforced by the Internal Revenue Service will ensue.

Under ObamaCare, abysmal enrollment numbers so far are a warning sign that this law will cost the American people more—and in more ways—than they ever imagined.

One of these ways was exposed last week after President Obama announced his unilateral action to "fix" his broken promise that Americans could keep their existing plans: a bailout of health-insurance companies.

Buried deep in the Department of Health and Human Services' press release that accompanied the president's Nov. 14 speech was this sentence: "Though this transitional policy was not anticipated by health insurance issuers when setting rates for 2014, the risk corridor program should help

ameliorate unanticipated changes in premium revenue. We intend to explore ways to modify the risk corridor program final rules to provide additional assistance."

Risk corridors are generally used to mitigate an insurer's pricing risk. Under ObamaCare, risk corridors were established for the law's first three years as a safety-net for insurers who experience financial losses. While risk corridors can protect taxpayers when they are budget-neutral, ObamaCare's risk corridors are designed in such an open-ended manner that the president's action now exposes taxpayers to a bailout of the health-insurance industry if and when the law fails.

Subsequent regulatory rulings have made clear that the administration views this risk-corridor authority as a blank check, requiring no further consultation or approval by Congress. A final rule handed down in March by HHS and the Centers for Medicare and Medicaid Services states: "Regardless of the balance of payments and receipts, HHS will remit payments as required under section 1342 of the Affordable Care Act."

On Nov. 14, the American Academy of Actuaries issued a press release saying that President Obama's plan to reverse health-insurance cancellations "could lead to negative consequences for consumers, health insurers, and the federal government." More specifically, the academy said, "Costs to the federal government could increase as higher-than-expected average medical claims are more likely to trigger risk corridor payments."

It is a damning indictment of ObamaCare's viability when the president's only response to people losing their health insurance plans entails putting them on the hook for bailing out insurance companies. The American people are already being directly hurt by ObamaCare's early failures, and it is unconscionable that they be expected to bail out companies when more failures emerge.

As the people's representatives, the U.S. Congress should completely eliminate the possibility of a bailout of insurance companies. On Tuesday I am introducing legislation that would eliminate the risk corridor provision, ensuring that no taxpayer-funded bailout of the health insurance industry will ever occur under ObamaCare. If this disaster of a law cannot survive without a bailout rescue valve, it is yet another reason why it should be repealed.

When ObamaCare was debated and passed in 2009 and 2010, none of its proponents, including the president, told the American people that the law granted the federal government the authority to bail out insurance companies at the expense of taxpayers. But now their dirty little secret is out, and it should be wiped out from the law.

Americans are sick and tired of Washington politicians picking winners and losers—and nowhere is this practice more grotesquely evident than taxpayer-funded bailouts, which assault the economic values of our free enterprise system in favor of those who are politically connected and whose lobbyists know the right people to call and levers to pull. ObamaCare is a living monument to this culture, and no one loses more than the average American.

My Republican colleagues and I have endeavored to find ways to protect Americans from ObamaCare—as patients, taxpayers, consumers and workers. But it is becoming increasingly clear that these efforts can only mitigate some of ObamaCare's damage, not avoid it entirely.

As policy makers, we must focus on making health care more affordable and accessible for all Americans. Repealing ObamaCare will be a necessary step if we are to replace it with reforms that will actually accomplish these goals. Meanwhile, we owe it to the American people to protect them from another taxpayer-funded bailout.

Mr. Rubio, a Republican, is a U.S. senator from Florida